

CITY OF LAS VEGAS

BUDGET POLICIES

I. BUDGETS

- A. Budgets will be developed based on historical cost trending, adjusted for specific needs were appropriate.
- B. Appropriations for ongoing expenditures will not exceed ongoing revenues.
- C. Budgets will reflect full cost of personnel costs.
- D. Budget evaluations will consider current and ensuing year impact.
- E. New programs to be funded (1) from fees, (2) from efficiencies, (3) from general revenues.
- F. Privatization will be considered in providing for expanded or new programs.
- G. Program costing will be followed: central service costs will be recovered from outside sources.
- H. Reasonable training and travel will be funded.
- I. Opportunities will be sought to improve performance through technology.
- J. Capital outlays, which reduce operating costs, will be prioritized.

II. POSITIONS AND PERSONNEL

- A. Vacant positions shall be evaluated and re-justified.
- B. All positions authorized by Council will be funded at a discount to recognize expected vacancies and turnover.
- C. Savings from vacancies will be used to fund one-time costs or replenish fund balance.
- D. Funds will be expended to train and equip the City's workforce, where practical.
- E. Continuous process improvements will be pursued to improve quality and seek efficiencies.
- F. Reasonable and customary technical/professional memberships will be funded.

III. CAPITAL

- A. Interest earnings from selected funds shall be dedicated to one time capital needs.
- B. Bonds will only be considered for capital needs where (a) there is a valid 5-year capital improvement plan and (b) it is determined that the City can absorb the operating costs of the new facility in its operating budget.
- C. Major capital acquisitions will be identified and listed in the CIP for the next five years, and will project annual operating costs to be funded from General Fund in future years.
- D. Capital additions shall identify the added net cost of operations.
- E. Capital request shall be measured and evaluated by their cost benefit.

IV. REVENUES

- A. Barring extraordinary events, the City shall self impose a property tax limit based on the FY 1999 variance between the actual tax levied and the maximum allowed levy; that is, the City

CITY OF LAS VEGAS BUDGET POLICIES

will not raise taxes beyond a self imposed limit that is 11.2 cents per \$100 below the State imposed limit.

- B. Revenue Projections will be based on conservative growth estimations.
- C. One-time revenues will only be used for one-time expenses.
- D. Fees and charges will be increased, where appropriate, to reflect increased cost in operations, including inflation and increased mandates.
- E. Revenues will be optimally sought as provided by law.
- F. Growth related revenues will be used to defray the costs of growth.
- G. Public/public or public/private partnerships will be sought to enhance funding.
- H. Fees will be generically and consistently applied and collected.

V. FUND BALANCE AND RESERVES

- A. The General Fund ending fund balance should equal at least 12 percent of operating revenues.
(Temporarily suspended. Ending fund balance at 10 percent of operating revenues.)
- B. Sufficient amounts of replacement reserves shall be maintained in capital replacement funds.
- C. Sick and Annual Leave will be funded to cover current year plus out year.
- D. Ending cash balances for Internal Service Funds should not exceed 10% of prior year's expenditures for operations, 25% for capital acquisitions, and 25% for employee benefit expenditures.

Reaffirmed by City Council at the May 15, 2012 Budget Hearing.

Attest:

City Clerk

Mayor